



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

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July 5, 2005

The Honorable Rob McKenna
Washington State Attorney General
Office of Attorney General
1125 Washington Street SE
P.O. Box 40100
Olympia, WA 98504-0100

Re: *TME Capital Group LLC et al.*, PDC Case No. 04-445
Environmental Materials Transport, LLC and Hank Hopkins, PDC Case No. 04-445
Referral To Washington State Attorney General's Office

Dear General McKenna:

At its special meeting on June 23, 2005, the Washington State Public Disclosure Commission considered a PDC staff recommendation that the above-captioned enforcement case be referred to your office for further action and legal proceedings. Present for the Commission were: Chair Michael Connelly, and members Jane Noland, Bill Brumsickle and Ken Schellberg. The Respondents in the case are: TME Capital Group, LLC, and its members/investors Elling Halvorson, Catherine Boshaw, Doug Edlund, John Taylor, Lon Halvorson, E. Kent Halvorson, Tim Teteak and David Chevalier (TME Capital et al.). The other Respondents are Environmental Materials Transport, LLC, and Hank Hopkins (EMT and Hopkins).

The cases involve alleged state campaign disclosure violations during the 2001 Des Moines City Council elections. TME Capital et al. were alleged by PDC staff to have violated: RCW 42.17.040 - .090 by failing to register and report and as political committee; RCW 42.17.120 by concealing the identity of the sources of contributions; RCW 42.17.105(8) by making contributions that exceeded the \$5,000 limit within 21 days of the general election; and, RCW 42.17.780 by reimbursing Monarch Enterprises for contributions made to a political committee that supported candidates. EMT and Hopkins were alleged to have violated: RCW 42.17.040 - .090 by failing to register and report as a political committee; and, RCW 42.17.105(8) by accepting contributions that exceeded the \$5,000 limit within 21 days of the general election.

The Commission considered the PDC staff Executive Summary and Staff Recommendation Regarding the 2001 Des Moines City Council Election (enclosed), Report of Investigation and Exhibits, and comments of PDC staff counsel, Assistant Attorney General John Lane. The



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Commission also considered a June 15, 2005, letter and comments of attorney James Frush, counsel for Respondent TME Capital Group LLC and its members/investors, as well as the March 24, 2003, deposition of Thomas F. Hujar. EMT and Mr. Hopkins were not present and did not have representatives at the meeting.

After reviewing the above-described information presented to it, by a 4-0 vote the Commission reported that there were multiple apparent violations by the Respondents of the PDC's statutes as alleged by PDC staff. The Commission noted that the purpose of the campaign finance statutes is to provide transparency so the voters can know where the money comes from that is funding campaigns, and the voters were deprived of this information through the apparent actions of the Respondents to conceal this information. The Commission determined that a referral to the Attorney General's Office of this case is appropriate because the remedies that the Commission could impose statutorily are insufficient given the number and significance of the apparent violations. Therefore, in lieu of conducting a hearing and entering Findings of Fact, Conclusions of Law, and an Order to impose a penalty or other relief by the Commission under RCW 42.17 or RCW 34.05, the Commission is referring this matter to the Washington State Attorney General's Office for further legal proceedings pursuant to RCW 42.17.360 and RCW 42.17.395.

The Commission also requests the Attorney General's Office to return to the PDC any claims the Attorney General's Office determines it will not act upon.

The Commission authorized me to sign this referral on its behalf. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Vicki Rippie". The signature is fluid and cursive, with the first name "Vicki" and last name "Rippie" clearly distinguishable.

Vicki Rippie
Executive Director

Enclosure: Executive Summary

Cc: Linda Dalton, Sr. Assistant Attorney General
John Lane, Assistant Attorney General
Nancy Krier, Senior Counsel
James Frush, Counsel for Respondent TME Capital Group et al.
Environmental Materials Transport, LLC
Hank Hopkins